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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
Wireless Telecommunications)
Bureau Incorporates Nextel)
Communications, Inc. Waiver)
Record into WT Docket No. 99-87)

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WT Docket No. 99-87
SEP 29 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

To: The Chief
Wireless Telecommunications Bureau

**REPLY COMMENTS OF
CHADMOORE WIRELESS GROUP, INC.**

1. Chadmoore Wireless Group, Inc. ("Chadmoore") hereby submits its Reply to the Comments filed in the above referenced proceeding wherein the waiver requests filed by Nextel Communications, Inc. ("Nextel") are considered. Chadmoore supports Nextel's waiver requests to the extent that licensees of various categories should be allowed to make spectrum usage decisions based on marketplace factors rather than regulatory restrictions.

Background

2. Chadmoore is a licensee and manager of numerous facilities throughout the nation in the 800 MHz Special Mobile Radio ("SMR") service. Chadmoore has activated full market services over its 800 MHz authorized facilities in 80 cities throughout a significant area encompassing 41 states, Puerto Rico and the U.S. Virgin Islands. Chadmoore holds additional authorizations and is in the process of further commercial roll-out of dispatch services on a wide area basis by which it is expected that Chadmoore's services ultimately will be available in 168 markets. Chadmoore's system encompasses facilities which operate on frequency assignments from both the "lower 80" and "upper 200" SMR channels as well as General Category channels.

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3. Chadmoore provides basic voice and data telecommunications services to many businesses that do not always have the resources to afford the highly expensive and technologically complex services offered by large-scale CMRS entities. Many business entities in the markets served by Chadmoore have taken advantage of Chadmoore's services and have realized the benefits of mobile telecommunications capabilities to enhance the efficiency of their operations. Many businesses, including small businesses, would benefit by a general rule allowing PMRS licensees to enter into arms-length transactions whereby they exchange their licenses for telecommunications services and are able to take advantage of Chadmoore's services.

Conversion of PMRS licenses to CMRS by Licensees is in the Public Interest

4. Chadmoore has consistently maintained its support for allowing PMRS licensees to convert its licenses to CMRS.¹ Chadmoore continues to support such a rule change as being in the public interest. Allowing licensees of various categories to make spectrum usage decisions based on marketplace factors rather than regulatory restrictions would ensure that such decisions would be based on rational economic considerations that promote efficient use of the spectrum. The Commission will help further meet the needs of SMR dispatch service users by allowing flexible exchanges of spectrum between private licensee entities and commercial SMR operators where exchanges are appropriate and agreed upon by all parties.

¹ Chadmoore has always supported allowing PMRS licenses to be converted by licensees to CMRS licenses but has objected to allowing Nextel singular relief through the waiver process rather than allowing all licensees the benefit of such a rule change by proceeding by rule making. See Comments of the Chadmoore Wireless Group, Inc., *In the Matter of Wireless Telecommunications Bureau Incorporates Nextel Communications, Inc. Waiver Record into WT Docket No. 99-87*, filed August 2, 1999 at ¶5; Opposition to Application for Review, *In the Matter of Nextel Communications, Inc. Requests for Waiver of 47 C.F.R. Sections 90.167(c) and 90.619(b)*, DA 98-2206, filed September 7, 1999. Additionally, Chadmoore filed Reply Comments in this matter on December 11, 1998.

5. Chadmoore recognizes the concern of many of the Commenters regarding the scarcity of spectrum for PMRS use.² However, Chadmoore supports the conversion of already licensed PMRS spectrum to CMRS in those cases where the licensee has determined that it best meets their communications needs.³ In this way, the public interest is served by permitting licensees to ensure that their spectrum is used most efficiently and allowing transactions optimizing the value of licenses. Such opportunities would allow small businesses to obtain the radio service they require while avoiding the expense of running and maintaining their own radio systems. Available spectrum to new applicants will not be diminished and current licensees are accorded the opportunity to determine the appropriate and most beneficial use of their licenses and to enter arms-length transactions to meet their communications needs.

6. Chadmoore supports the Comments of Personal Communications Industry Association, Inc. ("PCIA") and The North Texas Communications Council to the extent they propose inter-category sharing by all classes of eligibles of Business and Industrial/Land Transportation Pool frequencies with regard to existing licenses on already assigned spectrum.⁴ This rule change would prevent further depletion of Public Safety channels by preserving access to those channels to Public Safety entities while allowing licensees to enter into other business arrangements resulting in more spectrally efficient operations.

7. Additionally, such a rule change would allow incumbent SMR operators with legitimate operations to expand into this band. As PCIA and The North Texas Communications Council pointed out in their comments, the vast majority of SMR operators are unable to afford

² See Comments of American Automobile Association, Forest Industries Telecommunications, The Boeing Company, Entergy Services, Inc. and others in WT Docket No. 99-87.

³ If spectrum is already licensed to an entity it is unavailable to other in any case and so would not diminish the availability for future applicants.

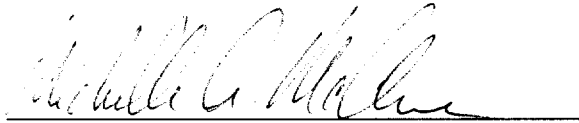
⁴ See Comments of The Personal Communications Industry Association, Inc., WT Docket No. 99-87, filed August 2, 1999 at p. 23; Comments of The North Texas Communications Council, WT Docket 99-87, filed August 2, 1999 at p. 14.

the prices paid for spectrum at auction and so expansion into this band represents the only opportunity for system expansion where it is most needed.⁵ Such a rule change would help remedy this problem while also offering better communications opportunities for a multitude of public safety organizations.

Conclusion

8. Chadmoore believes that it is in the public interest and supports flexible exchanges of spectrum between private licensee entities and commercial SMR operators where exchanges are appropriate and agreed upon by all parties. Chadmoore supports to proposal set forth by PCIA and The North Texas Communications Council wherein such inter-category sharing would be allowed by all classes of eligibles of Business and Industrial/Land Transportation Pool frequencies with regard to existing licenses on already assigned spectrum.

Respectfully submitted,



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⁵ See Comments of PCIA, WT Docket 99-87 at p. 21; Comments of The North Texas Communications Council, WT Docket 99-87 at p. 14.